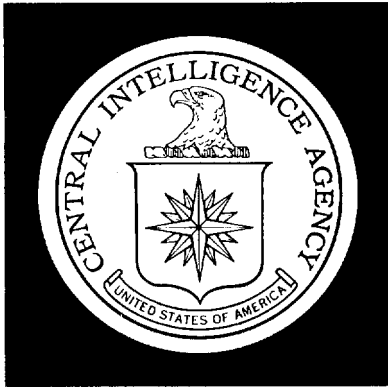


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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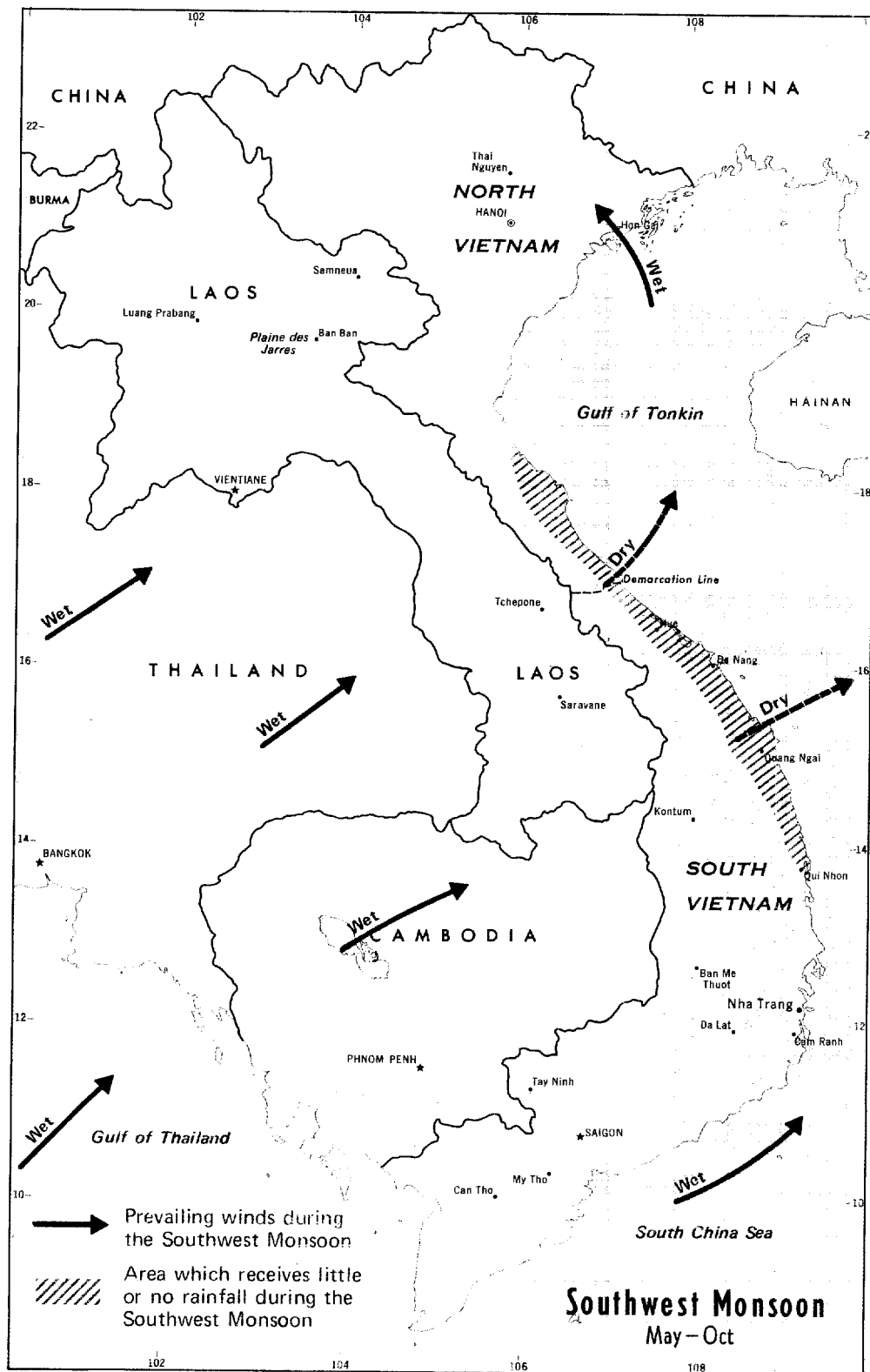
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Indochina: *Southwest Monsoon to Begin Soon*

Southeast Asia's monsoons play a key role in military operations, both enemy and allied, and military planners must take seasonal changes into account. The hot season from mid-March to early May, the southwest monsoon from mid-May until mid-October, and the northeast monsoon from mid-November through February bring differing rainfall patterns and cloud cover that affect almost all operations.

The northeast monsoon season brings heavy cloud cover and rains to the northern half of South Vietnam during the winter months, and clouds, fog, and showers frequently persist into the spring months. Bad weather was still prevalent last week in the northern provinces of South Vietnam's Military Region (MR) 1, but that area is now in a transitional weather period, and the coming summer months are normally clear and dry. Such weather will facilitate both allied and Communist operations.

In Laos, Cambodia, and the southern half of South Vietnam, on the other hand, the southwest monsoon will begin soon, and rainfall will be heavy until October. Weather conditions in these regions will be unfavorable for close air support operations as well as for ground combat.

The Communist Military Situation in the DMZ

North Vietnamese combat units in the vicinity of the DMZ are heavily engaged in preparations for future attacks in northern Quang Tri Province. The units involved have traditionally operated in this region; they include elements of at least five infantry and three artillery regiments. There is no solid evidence they are being reinforced with any of the combat units that participated in the counteroffensive against the allied operation in Laos earlier this year.

In addition to the southward movement and emplacement of large-caliber artillery weapons, the current enemy preparations include intense reconnaissance of allied positions south of the central and eastern DMZ.

In some areas of northern Quang Tri Province shellings have become more frequent recently, and sporadic small-unit actions have erupted; these could be forerunners of a more concerted and coordinated enemy effort in the coming weeks as the weather continues to improve. The usual targets, such as allied artillery bases and field positions, will probably be struck, and there may be some action against populated areas in the lowlands along the coast. The Communists may also be looking for a chance to take on South Vietnamese units in larger engagements in order to demonstrate that the recent operation into Laos did not blunt Communist offensive capabilities. The North Vietnamese might be ready to pay a high price in casualties in the hope of shaking the confidence of the South Vietnamese as American troop strength in the northern provinces continues to decline.

Le Duan's Progress

North Vietnamese party chief Le Duan finally left Moscow on 9 May after a six-week sojourn in the Soviet Union. He is now making the stopover in China that has long been a customary part of treks to and from Moscow for Vietnamese Communist leaders.

The Tass announcement of Le Duan's departure from Moscow indicated that he had held important discussions with the top Soviet leadership—discussions that were interrupted by two or three weeks of vacation and touring for the

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Vietnamese leader. The talks apparently resumed around the first of May.

Tass acknowledges that Brezhnev and Le Duan discussed both the international situation and bilateral relations. The length of the visit and the wording of the communiqué suggest that there may have been less than full agreement on both subjects, and the communiqué's assertion that the two leaders "reiterated their desire to further develop militant friendship, solidarity, and all around fraternal cooperation" leaves the impression that there is some room for improvement, especially in bilateral relations. As Le Duan left Moscow, there was no mention of the invitation issued (and accepted) on 14 April to the Soviets to send a high-level party/government delegation to Hanoi.

There is no clue to the substance of the discussions, however. Le Duan and Brezhnev could have talked about new Vietnamese Communist military or diplomatic initiatives or about Soviet aid, but they might also have found something to disagree about in a general exchange of views.

Laos: A New Communist Statement

The Communists have reiterated their conditions for a settlement of the war in Laos. A statement by the Lao Patriotic Front, which was broadcast from Hanoi on 12 May, demanded an unconditional US bombing halt throughout Laos. After this, the statement said, both sides would "immediately realize a cease-fire," and the Lao parties concerned would "immediately discuss the formation of a provisional coalition government." The statement was essentially a condensed version of the Communist proposal of 6 March 1970, with the exception of the prospect of an "immediate" cease-fire, to which only an indirect reference was made in last year's discussions.

Communist envoy Souk Vongsak, who returned to Vientiane last week after a three-month

absence, delivered to Prime Minister Souvanna Phouma a letter containing the Pathet Lao proposals on 12 May. Souvanna read the letter at the Lao cabinet meeting that day and expressed his disappointment that the Communists still refused to admit the presence of North Vietnamese troops in Laos. He stated that he would agree to a complete bombing halt only after there was a complete withdrawal of Hanoi's forces. Cabinet members shared Souvanna's pessimism that much progress toward a settlement could be made on the basis of what the Communists had presented so far. The prime minister plans to meet with Souk in the next few days to outline the government's initial response to the Pathet Lao proposals.

The new initiative is clearly Hanoi's handiwork and may represent, at least in part, a fresh effort to drive a wedge between the prime minister and the US. For several years, the North Vietnamese have been interested in securing a halt to US bombing in the infiltration corridor in return for a diminution of the fighting elsewhere in Laos. So far these efforts have been a total failure. There has not only been a considerable increase in US bombing throughout Laos in recent years

Hanoi may believe that Souvanna is now more susceptible to persuasion, but the North Vietnamese must also realize that they will have to be extremely conciliatory on matters of direct interest to Souvanna and other Lao leaders if there is to be even an outside chance of making headway on the bombing issue.

The new Communist proposal leaves open the possibility of future diplomatic dialogue between the Communists and Souvanna. It does not say that a bombing halt is a precondition for Lao peace talks, only that it is necessary for a solution to the war in Laos. In view of their exasperating and unsuccessful efforts to get substantive talks under way during the past year, the Communists cannot be optimistic that they will have more to show from this effort. At a minimum, the new

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proposal helps to portray the Communists as interested in a reasonable "settlement" to the Laotian portion of the Indochina war, and attempts to place the onus for a continuation of the war on the US and its allies.

The Military Situation

Military activity was at a relatively low level throughout northern Laos during the past week as Lao irregulars were unopposed in occupying two important high-ground positions northeast of Long Tieng.

The Communists followed up last week's seizure of Muong Phalane with moves threatening Dong Hene, the next town to the west along Route 9. It seems unlikely that the government force assigned to Dong Hene will hold it if the Communists attack. The Communists probably hope that their drive along Route 9 will keep government forces off balance and unable to harass the western portions of the infiltration corridor.

The Communists also seem to be planning new attacks farther south on the Bolovens Plateau. Reports indicate that Ban Houei Sai, the chief government base on the northern approaches to the plateau, may be the enemy's first objective. In past years, the Communists have maintained pressure near the Bolovens well into the rainy season in contrast with north Laos, where longer lines of communication and more difficult terrain have slowed down the tempo of the war early in the monsoon season.

Cambodia: Down to Business Again

Initial reactions in Phnom Penh to Prime Minister Lon Nol's new government have been generally favorable. Young, reform-minded elements seem pleased by the new faces in the cabinet, and conservative factions can draw comfort from the fact that the top ministries are still held by establishment figures. There appears to be widespread agreement, however, that the government will be an interim administration.

Prime Minister Delegate Sirik Matak is aware of these sentiments and has indicated that he will in effect be directing a transitional government. In presenting the cabinet to the National Assembly, for

example, Matak told the deputies that once a new constitution has been ratified elections will be held in "pacified areas" in order to choose a successor regime. Matak also promised to pursue a stiff anticorruption program, to instill discipline in the armed forces, and to continue economic liberalization where possible. Commenting on his own anomalous position as "prime minister delegate," Matak admitted to the assembly that he is the de facto prime minister.

Although the assembly lost little time in approving the new cabinet, it has indicated that it plans to keep a close eye on the government's policies and performance. Early this week the legislators narrowly elected veteran politician Yem Sambaur as their new president, defeating one of Matak's close associates, former interior minister Op Kim Ang. Although Sambaur served in several ministerial posts in the former Lon Nol government, he was often critical of the regime's tendency to circumvent constitutional procedures. Running true to form, Sambaur has told the assemblymen that he will stress conformity with the constitution. He also stated—in an obvious reference to Lon Nol—that he is against "worship of the individual."

Open Season on Route 4

The government's drawn-out military operation to clear Route 4 successfully passed the acid test when a 41-truck convoy traveled without incident from the seaport at Kompong Som to Phnom Penh. This was the first through traffic on the highway since late February. Although the Khmer Krom forces that led the final push into the Pich Nil pass have returned to Phnom Penh, there are still some 20,000 Cambodian Army troops scattered along the highway to help ensure its security.

Despite this successful journey, there is some evidence that the government may soon put more emphasis on reopening alternative routes to Kompong Som. First Deputy Prime Minister In Tam recently stated that he favors undertaking military operations to clear Routes 2 and 3, which also connect Phnom Penh with the southwestern seacoast. These roads run through heavily populated agricultural areas and [redacted] are thus of greater economic and political importance to the country than Route 4, which is more difficult and costly to defend. [redacted]

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Communist Insurgency in Burma: *A Slow Season Quickens*

Communist insurgency along the Chinese border in northeast Burma is stirring from the doldrums of the past half year. The first significant assault on a government position during the now-ending dry season was reported on 29 April, when a large rebel force attacked the town of Mong Maw near the Chinese border. The government claims that it killed over 100 Communist insurgents before being forced to withdraw from the town.

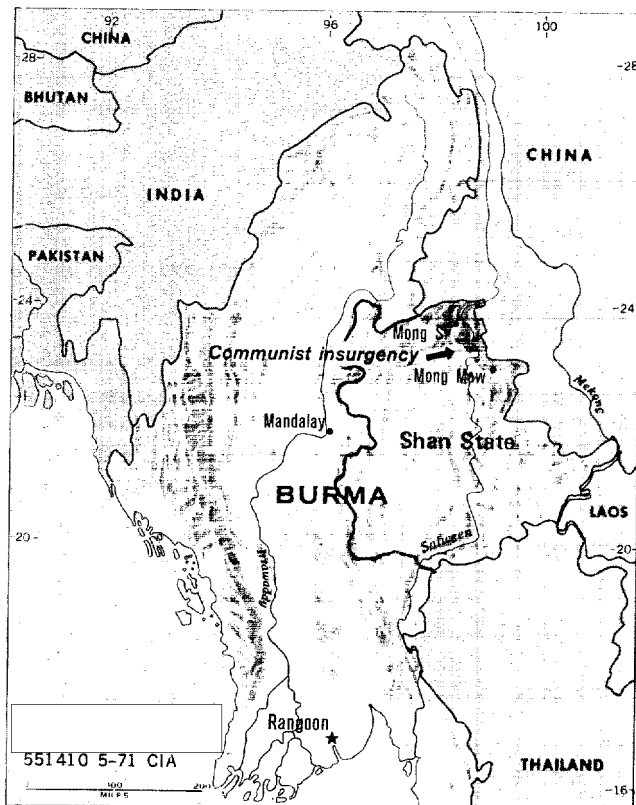
The insurgents have been increasingly active over the past two months in other villages along

this portion of the frontier with China. The government believes that in some villages the Communists were looking primarily for Chinese irregular intelligence teams rather than seeking contacts with Burmese troops or village defense units.

Action has also picked up farther north along the border.

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Although the rebels have not yet mounted any ground assaults, they have shelled army positions.



This flurry of activity still falls far short of the levels reached last year, when the insurgents moved out of their border sanctuaries and hit government towns and lines of communication in the interior. The more conservative activity of the insurgents during most of this dry season probably was in part a consequence of losses inflicted by a Burmese Army offensive last fall. It probably also reflected a decision by their Chinese mentors to play down provocative action during the Sino-Burmese contacts that led to the resumption of ambassadorial ties in March.

Peking may continue to hold the insurgents in check while it tests Burmese attitudes during the initial months of fully restored state relations.

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the attention to improving the insurgents' capabilities—including stepped-up recruiting and training, plus the recent inauguration of a Burmese Communist Party clandestine radio station—indicates that the Communists are keeping their options open.

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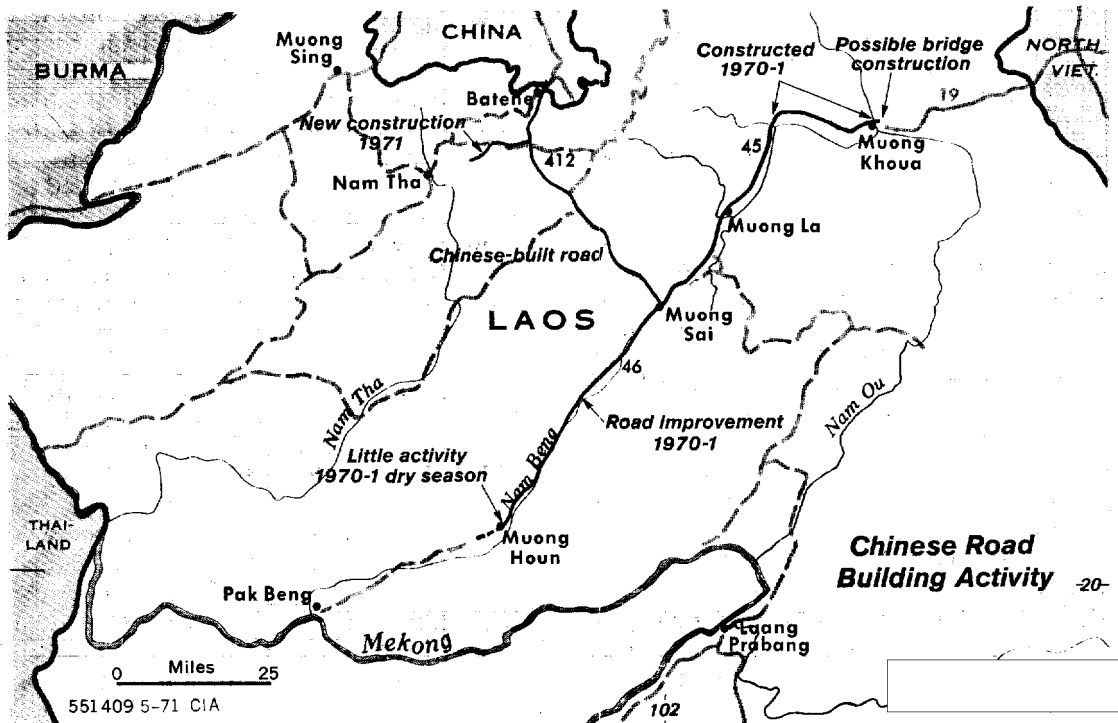
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Chinese Road Construction in Laos

Chinese road builders have added relatively little mileage to their roadnet in northwest Laos during the dry season that ends this month. They have concentrated instead on improving and upgrading existing roads toward the Mekong and North Vietnam. Ample manpower is available to continue this work as long as weather permits. Chinese forces supporting road construction in Laos increased again this year as air defenses were expanded and upgraded.

The Chinese constructed some 140 miles of new roads in Laos from the fall of 1968 to the

fall of 1970. During this period, a road south from Yunnan Province, China, to Muong Sai was completed, and work was started on routes 46 and 45 extending southwest and northwest, respectively, from Muong Sai. During this dry season the main Chinese construction effort has been to gravel most of Route 46 between Muong Sai and Muong Houn and to complete a number of bridges and culverts. The Chinese did not extend Route 46 south of its February 1970 terminus near Muong Houn, about 25 miles from the Mekong. Several short access roads have been constructed around and to the south of Muong Houn.



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Some 21 miles of new road were constructed to extend Route 45 from its previous terminus north of Muong La to the Nam Ou. Improvements on this road section are continuing, and work may have been started recently on a bridge across the Nam Ou to link Route 45 with Route 19 from North Vietnam. The only other new road work undertaken this dry season is a recently constructed spur extending several miles westward from Route 412 near the China border, apparently in the direction of Nam Tha.

Chinese military personnel and air defenses have been gradually increasing since 1968 in keeping with expanding road construction. The strength of Chinese military forces now in Laos is estimated at between 16-20,000. Many of these troops provide security for road builders and man the hundreds of anti-aircraft positions located along the roadnet, particularly at important supply and command centers and water crossings.

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Spinoff from US - Chinese Communist Contacts

The sense of movement generated by Peking's recent diplomatic efforts is beginning to have its effect on China's neighbors to the south. Several of these traditionally anti-Communist governments, though by no means all, have taken hesitant steps to adjust their positions so as to avoid becoming isolated in their relations with the Chinese regime.

Thailand publicly endorsed the recent thaw in US-Chinese relations but apparently is planning no early moves to improve its own relations with Peking. Despite considerable talk in Bangkok in recent months that trade with China might help solve some of the country's growing economic difficulties, the Thai National Security Council (NSC) has decided unanimously against establishing formal trade relations. Prime Minister Thanom and other senior government officials on the NSC took the position that such a move would have a negative economic impact; they also raised the old canards that Peking would use trade relations to subvert the large Chinese minority in Thailand and would channel trade profits to the support of Thai insurgents.

The NSC decision suggests that the regime's hard liners are continuing to call the shots on relations with China and that any moves toward rapprochement will be cautious. In an effort to placate Foreign Minister Thanat and others who have urged a more flexible approach to Peking, the NSC did agree to tone down gradually Thailand's propaganda against China. The decision to temper polemics also indicates that the conservatives in the government may give ground if Peking takes some initiative toward improving relations.

The aura of friendliness surrounding the mainland visit of the US table tennis team was probably an important factor in Philippine President Marcos' decision to permit the current visit of an unofficial trade delegation to Peking. The Chinese probably hope that Premier Chou En-lai's cordial meeting with the delegation on 8 May, coupled with continued Chinese circumspection in attacking the Marcos government, will reduce Philippine suspicion of China, which was reflected in Marcos' refusal to accord the delegation official status.

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[REDACTED] The focus of the review will no doubt be to assess the UN line-up on the next membership vote, and particularly on what US intentions might be. Although there will probably be no early relaxation of Manila's wariness of direct political ties with Peking, Manila does not want to get into the position of being among a small minority of states showing unyielding hostility toward the mainland.

Malaysia, in its efforts to promote an image of nonalignment, is also relaxing its public opposition to China on the assumption that Peking may be more receptive to friendly gestures in the light of the US ping pong visit. Kuala Lumpur has followed up the very successful performances in Malaysia of a mainland dance troupe by allowing a private trade group to visit Peking. There is as yet no evidence, however, that Kuala Lumpur intends to go beyond informal trade arrangements and establish diplomatic relations.

The Australian Government, which has been closely watching US attitudes toward Peking, has

been forced by maneuvers of the political opposition to adopt a more accommodating public stance toward Peking. Prime Minister McMahon reacted quickly to dilute the effect of Labor Party parliamentary leader Whitlam's announcement on 11 May that Chinese permission had been received for a Labor delegation to visit Peking. McMahon stated that—in view of Peking's apparent receptivity to wider contacts—government efforts will be undertaken to open a "dialogue" that could lead eventually to normalizing relations with the mainland. Although the government felt compelled to undercut the Labor Party's initiative, Canberra probably will not hasten to recognize Peking or to change Australia's position on the UN representation issue. McMahon asserted that Peking's record of subversion dictated caution and emphasized that no steps would be taken that would prejudice Australia's relations with the Republic of China.

The note of caution interjected by McMahon is also apt to be the prevailing approach adopted by the governments closer to China. Although none of them wishes to find itself left behind vis-a-vis Peking and each will continue to try to improve the atmosphere in its dealings with the Chinese, none of them is likely to grant early diplomatic recognition to the mainland regime. [REDACTED]

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EUROPE

Political Fallout from the European Monetary Crisis

The pressures on a number of European currencies, especially the Deutschmark (DM), that led several of the countries to float or revalue their currencies or institute other control measures have strained relations within the European community, given impetus to strong criticism of US economic policies, and renewed debate about reform of the international monetary system.

The major options open to West Germany to cope with inflationary pressures resulting from the recent flood of Eurodollars were outright revaluation of the DM, imposition of exchange controls, or as Bonn elected, letting the mark seek its own level in the exchange markets. Arguing against revaluation were the finality of such a step and uncertainty over what the new parity should be. Exchange controls remain anathema to German monetary authorities—although some such measures finally were taken along with the decision to float.

Bonn's decision implies that it might eventually refix the mark at its presently suspended parity. Furthermore, the move corresponds to Economics Minister Schiller's strong penchant for more flexible exchange rates in general. In fact, in his initial proposals to the EC last weekend, which were rejected, Schiller suggested that the Six permit EC currencies to float as a bloc vis-a-vis the rest of the world and offered to fund a stabilization mechanism to maintain existing parities among community currencies. Such a scheme would have been a major advance toward a monetary union among the Six; it would also have confirmed the pre-eminence of the mark.

The measures favored by the EC Commission would have controlled capital movements while avoiding the parity changes that damage intracommunity trade, especially in farm products covered by the EC system of common prices. Because this approach was not acceptable to

Bonn, however, the community's only alternative was to authorize an exceptional floating of the mark. The Dutch did not favor this course, but felt forced to float the guilder because of the German action. Outside the community, meanwhile, the Swiss and Austrians revalued to counteract anticipated pressures on their currencies.

French resentment over the German action is strong. Finance Minister Giscard d'Estaing reportedly sought to break up the 8 May emergency meeting of EC ministers rather than give in to "German assertiveness."

Pompidou personally ordered the subsequent announcement that French experts would not participate in further EC monetary union discussions so long as EC members' currencies continued to float. Paris will not, however, boycott discussion of community measures to deal with the disruptive flow of Eurodollars inasmuch as France has long desired such measures.

Although the crisis is at least a temporary setback for the EC's monetary union plans, the Six did agree earlier this week on measures to preserve common farm prices. The compromise will permit rebates to be paid German and Dutch farmers for their exports, but only when their currencies trade at more than 2.5 percent above the suspended parities. This agreement may add to other pressures to limit floating and return to fixed parities.

In Germany, the opposition has blamed the government for provoking a "crisis of confidence" in the community. Although this will aggravate intracommunity recriminations, the member countries are virtually at one in attributing the ultimate cause for the present difficulties to the US. EC Commissioner Barre told Ambassador Schaetzel early this week that there could be unfortunate consequences for

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US-European relations generally should Washington permit intimations that the US was enjoying the troubles the crisis has caused the Common Market.

In a Bundestag debate this week, Schiller confirmed that Bonn's actions were intended to facilitate reforming the international system in

the direction of more elasticity, and he alleged that Germany would have more allies in pushing for this at next fall's International Monetary Fund meeting. That one of the major causes of the crisis was the unregulated market for Euro-dollars is likely also to stimulate further debate on direct methods for controlling such flows.

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Soviet Census Sheds Light on Nationality Issue

The recently released section of the 1970 Soviet census that included data on nationality and language questions suggests that the pace of Russification has slowed, particularly in the non-European republics. The Russians still outnumber all the other Soviet nationalities combined, but their lead has narrowed. Although these trends pose no threat to Moscow's control over the provinces, they do point to the continuing vitality of the cultures of many of the Soviet minorities and suggest that the multinational character of the USSR may become a factor of increasing political and economic significance in Moscow.

This first portion of the census was to have been ready for release by the end of 1970 but was not published until mid-April. The information, however, was undoubtedly available to top officials before the 24th party congress at the end of March and may account in part for the sudden upsurge in attention to the nationality question at the congress. The lavish praise of the Russians by Brezhnev and speakers from many but not all of the non-Russian areas suggests that there may have been behind-the-scenes debate on the question.

The census confirmed earlier evidence of a striking disparity between the birth rate of the Europeans and the non-European nationalities. As a result, the Russians now represent 53.4 percent of the total population as against 54.8 percent in the last census in 1959. The people of Central Asia and the Caucasus far outdistanced the Russians and other Slavs as well as the Baltic peoples in rate of growth. If the present trend continues, the Russians will cease to be a majority in a few decades.

The census data indicate that the Russians continued to migrate in substantial numbers to the non-Russian republics. In some areas, such as Estonia and particularly Latvia, where the birth rate of the native population is perilously low, this influx threatens to put the native population on the "endangered species" list. The Russians

now constitute 30 percent of the population of Latvia. This clearly is a sensitive issue and helps to explain the defensive remarks of Latvian party chief Voss at the congress justifying the immigration of Russians into the republic.

In Central Asia the influx of Russians has been more than offset by the high birth rate of the native populations. As a result, the percentage of Russians in the populations of these republics has dropped. The Caucasian republics had the lowest level of Russian immigration, and Georgia was the one republic where the absolute number of Russians has declined since the last census. This exodus undoubtedly was prompted in part by the strong nationalist and anti-Russian sentiment that prevails among the Georgians. Georgian party boss Mzhavanadze's prideful and somewhat pointed remarks at the congress about the antiquity of the Georgian culture reflected this sentiment. Because of Georgia's small size, however, its nationalism is more of an irritant than a problem to Moscow.

The census data showed that the people of the different nationalities continue to have a strong affinity for their native languages. Although considerable emphasis has been placed on Russian instruction, a larger percentage of the major nationalities consider their native language their primary language than in 1959. There is a marked shift to dependence on Russian, however, among the dispersed ethnic groups such as the Jews and Germans. The former, moreover, unexpectedly registered a sharp decline in numbers, presumably because of assimilation.

The use of native languages also declined among the Ukrainians and the Belorussians, and other indicators in the census material point to a continuing trend of Russification in these republics. The census does not, of course, tell the whole story. The Ukrainians because of their large numbers would still seem to present a greater potential problem for Moscow than would the increasing national consciousness among the numerically smaller peoples.

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EUROPEAN COMMUNITIES - UK: In three days of negotiations ending in an all-night session on 12-13 May, the Six foreign ministers and British negotiator Rippon achieved a substantial breakthrough on issues involved in Britain's accession to the Common Market. Their progress was due in good part to fortuitous political circumstances. The current antagonism between Paris and Bonn over monetary issues made it easier for the French to be conciliatory toward London and reach agreement on three key issues—a broad plan for Britain's contribution to the Common Market budget, safeguarding the interests of Commonwealth sugar producers, and Britain's transition to the EC's agricultural system. London appears also to have sensed that this was the critical moment for the negotiations. By suddenly scheduling his meeting with Pompidou for 20-21 May, Heath

created a situation in which the lack of progress this week could have been disastrous. Of the remaining issues, only the problem of New Zealand's dairy exports looms large, and there will be hard bargaining on this. Prospects are for continued haggling as well over the precise amounts Britain will have to pay to the community budget.

Although the recent monetary crisis confirmed Germany's economic strength and made Paris more eager to facilitate British accession to the EC, the relative subordination of the franc may make Paris even more wary of the possibility that sterling could become the community's reserve currency. This issue is likely to figure, however indirectly, in Pompidou's meeting with Heath. [REDACTED]

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ROMANIA: General Secretary Ceausescu strongly reasserted his country's independent foreign policy at the Romanian party's 50th anniversary celebrations last week in terms that suggest renewed interparty squabbling with Soviet leaders. Flatly rejecting the idea that the Communist world movement should be directed from Moscow, Ceausescu insisted that Romania's pursuit of national interests does not weaken international socialist unity. To underline his point,

the general secretary specifically rebutted recent Western press allegations that Romania has been moving away from its nationalistic position. Ceausescu's frequent praise of the Chinese Communists and his revival of other contentious issues are sure to irritate Moscow. He is known to prefer regular consultations to iron out problems with the Soviet leaders, but the two sides have not met privately in recent months, and this may account in part for Ceausescu's outspokenness. [REDACTED]

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CZECHOSLOVAKIA: The leadership on 9 May culminated four days of self-effacing obeisance to Moscow with observances of National Day. These included effusive thanks to the Soviet Army for restoring Czechoslovakia's independence in both 1945 and in 1968. The stage was thus set for the Slovak party congress on 13-15 May, which is the precursor of the 14th national party congress scheduled to open on 25 May under the banner of the party's 50th anniversary. The Slovak party meeting could be important for determining the future of the remaining Slovak moderates as-

sociated with national party chief Husak. Their fate in turn could indicate whether or not Husak's influence on the national level may be further eroded. The Czechoslovak congress is likely to stress that stability has been achieved with Moscow's help. If pressed, however, no Czechoslovak would seriously dispute that even the conservative orientation of the party cannot paper over the bitter legacy of 1968, and that continuing tensions will keep the Prague regime on probation in the eyes of Moscow. [REDACTED]

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Yugoslav Self-Managers Call for Greater Power

At their congress in Sarajevo last week, Yugoslav self-managers, representing a nationwide network of workers' councils, called on the government to give them more political and economic power. The self-managers' positions were heavily influenced by Edvard Kardelj's pre-congress report and appear to reflect genuine workers' interests.

In effect the 2,100 conferees said that workers want recognition of their "inalienable rights" to directly influence their firm's investments through the workers' councils. Such power already existed in theory, but in practice plant directors, banks, and government officials have dominated investment decisions. The workers' proposal would mean freeing local industries from excessive federal and regional taxes and keeping more money in local hands. At the same time, the self-managers fully endorsed contributions for federal programs on improving the economic status of underdeveloped areas, keeping a unified national market, and maintaining national welfare standards but with an improved retirement system.

Demands were also made for equal pay for those working at the same jobs irrespective of the state of individual plant's technological advancement. The congress further endorsed a plan for providing more labor intensive, albeit "less productive," jobs as a hedge against current and future unemployment. Economic organizations

were requested to set aside more funds for wages. These demands run counter to government efforts since 1965 to promote efficiency and combat inflation.

The political edge of the resolutions was provided by a demand for constitutional recognition of municipalities as the basis for the self-management system. This call for further decentralization appears to set the stage for a "second wave" of constitutional amendments that may follow Tito's current program. The delegates clearly want worker influence to extend from the councils upward through stronger municipal bodies, as opposed to the current reforms, which only invest republic and province governments with new authority.

The self-managers created a series of commissions to produce a "self-managers' code" before the next national party conference. The code, among other things, is to define the self-managers' position on workers' rights, including the right to strike.

Kardelj's and probably Tito's advocacy of the adoption of uniform wage standards for equal work will aid realization of this objective. Other demands by the congress, however, including wage increases, expensive new social welfare projects, and greater worker control of investment may never be implemented.

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Polish Government Narrows Information Gap

The Polish Government is moving to satisfy the demand voiced by the workers last winter for honest press reporting of the country's problems. The top leadership envisions an informative and

informed press as the key to a valuable two-way flow of information that will keep it in touch with popular demands, opinions, and expectations and will inform the populace of the

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leadership's efforts to improve their way of life. There have been some signs, however, that the middle levels of leadership are not as enthusiastic as their superiors about this program.

Premier Jaroszewicz recently directed governmental executives to make facilities available for media representatives to maintain contacts within factories and obtain factual information about social problems affecting the community. This mild reprimand was intended to overcome the footdragging of those officials who are reluctant to have the shortcomings of their enterprises aired in public.

To facilitate the flow of information downward the government appointed its first official press spokesman, Wlodzimierz Janiurek, and gave

him the rank of deputy minister. Janiurek intends to organize press conferences on a regular basis during which ministers, party secretaries, and even party leader Gierek will answer questions posed by journalists. In addition, work has begun on a new press law to streamline the dissemination of news.

The new regime has no intention of dropping press censorship, but it does want more information circulated and more criticism voiced through proper channels. This not only provides a safety valve for the frustrated working class but has the added advantage of discouraging rumor and gossip, which became dangerously prevalent during the winter crisis. Freedom of expression is contagious, however, and the regime may experience some difficulty keeping it within specified limits. [REDACTED]

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ARMS CONTROL: The 25-nation Geneva disarmament conference adjourned on 13 May for a six-week spring recess. The highlight of the session was the Soviet presentation of a draft convention curbing biological weapons (BW). The US and the other Western delegates this week gave generally favorable responses to the Soviet text, which represents a virtual reversal of Moscow's earlier position that any agreement must also include chemical weapons (CW). The nonaligned delegates at the talks are unhappy at the lack of a firmer superpower commitment to negotiate limits on CW in the future, but they probably can be induced to accept the present draft by the end of the summer session. Attention thereafter is

likely to focus on further studies of verification problems relating to a CW ban.

The conferees also agreed this week to take a closer look at prospects for a comprehensive nuclear test ban (CTB) when they resume work in late June. Canada and Japan have been especially eager to achieve at least some steps toward a CTB that might prevent the US this fall from carrying out Project Cannikin, a planned high-yield underground test of an ABM device in the Aleutians. The Soviets continue to reject the US insistence on on-site inspection to verify compliance with a CTB. Recently Moscow has added that it could not accept a CTB agreement to which Peking was not a party. [REDACTED]

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Fiscal Problems Beset UN Organizations

The UN has been in financial difficulty for several years, largely as a result of the refusal of the Soviet Union and France to pay their assessments for UN peacekeeping operations in the Congo (K). The deficit problem has been exacerbated recently, however, principally because assessments have not matched accelerating budgetary commitments—a trend also seen in several UN-related organizations.

The deficit from the peacekeeping ventures could be erased by voluntary contributions of \$36 million from the USSR and its allies and \$15 million from France. The Norwegian president of the General Assembly, Edvard Hambro, has sounded out the delinquents, but thus far he has been rebuffed. Hambro has also failed to interest those governments that purchased bonds to cover the financing deficit of the mid-1960s to write off a portion of their claims as a contribution to solve the present crisis. The UN's cash position is so bad that the June payroll may not be met. Various devices can probably be found to avoid such a calamity during the summer months, but the issue certainly will intrude itself early in the fall session of the General Assembly.

The conflict among the major contributors over the old peacekeeping debts has tended to make it more difficult for them to work together to prevent further increases in the UN budget. The less developed countries (LDCs) favor such increases because assessments made on them are small, while at the same time they receive substantial aid from the UN. The rapid increase in Japan's gross national product on the other hand has led to a significant boost in Tokyo's assessment, and it is beginning to express the same reluctance as the Big Four. Caught in the middle of this conflict between the major powers and the LDCs is the UN Secretariat, which hopes to draft a budget for 1972 that the largest contributors

can support. None of them voted in favor of the 1971 budget.

Among the UN-related agencies, the current fiscal strains of the International Atomic Energy Agency (IAEA) are similar to those of the UN itself and typical of the problems of other affiliated agencies. The international inspections required by the Nonproliferation Treaty are a major new responsibility of the IAEA, and the LDCs have secured a financing arrangement on the safeguards that takes their limited resources into account. With the US prohibited by an act of Congress from contributing more than one third of the expenses of an international agency, the remaining states feel that they are being squeezed to cover a rapidly expanding program.

Despite these difficulties, there have been some salutary effects from the current fiscal crises in the international organizations, accentuated this week by the effects of the European monetary problems. The need to pare costs has led to greater efficiency in operations in the UN Development Program, the UN Relief and Works Agency, and the International Labor Organization. The US remains in hot water, however, over its recent refusal to pay its full assessment to the ILO.

The debate over how much should be spent by the UN will no doubt be a continuing one. Although the LDCs are the primary beneficiaries of its aid programs, the regulatory activities in which the UN is increasingly engaged primarily benefit the developed world, and whatever the UN contributes to the maintenance of peace is universally shared. Moreover, the total expenditures of the UN last year—some \$830 million—were only about 20 percent of the budget of the European Communities.

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MIDDLE EAST - AFRICA

Arab States - Israel: *Reactions to Rogers' Visit*

Secretary Rogers' tour of the Middle East has enabled both Egypt and Israel to claim that their positions now are fully understood and appreciated by the US. In this sense, spokesmen for both sides have declared that the visit had positive benefits. In terms of progress toward a settlement of the dispute or toward an agreement on easing the confrontation along the Suez Canal, however, both sides stressed the difficulties that remain to be overcome.

added that the differences between the Israeli and Egyptian viewpoints remained "large and continuing." On Monday, Egyptian President Sadat briefed top political leaders and reaffirmed Egypt's principal demands, including a call for Israeli agreement on a timetable for complete withdrawal from all occupied Arab lands. On Wednesday, Sadat spoke personally with military commanders on the canal front, continuing his policy of enlisting the armed forces support for each step taken in the negotiating process. Emphasizing the negative, Sadat assessed the chances for peace at "one percent," adding that only the strength of Egyptian arms provided the incentive to the US and Israel to work toward a peaceful settlement.

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An Egyptian radio commentary on 9 May said Cairo had hoped that three things would develop from the visit: a clear and frank US definition of its stand; US pressure on Israel; and something new in the way of a US initiative. According to the radio, none of these expectations has been fulfilled. Assistant Secretary Sisco's return to Cairo after the stopover in Israel bolstered spirits in Egypt somewhat and resulted in speculation that some concessions had been obtained from the Israelis. The Egyptian press was clearly disappointed at the outcome of the secretary's talks in Israel, however, and warned that Sisco's visit would not change Egypt's conditions for partial withdrawal from Sinai or for permanent peace in the Middle East. The authoritative Cairo daily *al-Ahram* pointed out that the US attempt to change the Israeli attitude on withdrawal was the last chance before the world becomes fully convinced of the futility of political means to end the crisis.

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Editorial discussion of statements attributed to Defense Minister Dayan, however, raised speculation that some points in the Egyptian canal-opening proposal were receiving serious attention from the Israeli and Egyptian governments, and there was a general belief in Israel that Assistant Secretary Sisco's return to Cairo was intended to advance this process.

The Egyptian reaction was somewhat more critical. Although presidential adviser Muhammad Riad described Rogers' visit as "very useful," he

Soviet media are treating Secretary Rogers' visit negatively, but in low key. Moscow has relied chiefly on selected Arab commentary to convey the impression the trip was only a political maneuver that accomplished nothing.

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Egypt: *Ins and Outs in Cairo*

President Sadat, perhaps impressed with his success in eliminating one major rival for power in Egypt, has disposed of another. His actions have put the Cairo rumor mill in high gear, producing speculation about further changes.

After warming up last week with the dismissal of Vice President Ali Sabri—a perennial troublemaker who had overstepped the bounds of collegial criticism—Sadat yesterday “accepted” the resignation of Interior Minister Sharawi Goma, whose control of the security apparatus made him one of the three or four most powerful members of the inner circle of Nasir’s heirs.

Sadat replaced Goma with Mamduh Salim, an administrator with intelligence service experience who was considered one of Nasir’s close personal friends. Rumors current in Cairo had suggested that Sadat would replace Goma with someone more personally loyal to him, and Salim may fit this bill. Goma was known to covet higher office, but it was generally thought that he was content to wait until a later time, and he has appeared to support Sadat’s policies.

Removing Goma will considerably strengthen Sadat’s personal control, but it is a sizable undertaking, nevertheless. Following the announcement, Cairo Radio interrupted normal broadcasting and switched to martial music and selected quotes from ex-President Nasir, a clear indication that the possibility of trouble was anticipated. It would appear, however, that Sadat

would not have moved unless he were extremely confident of backing from the country’s military leaders, whom he has been assiduously cultivating since assuming the presidency.

If Sadat acted in order to consolidate his control and not to counter a sudden threat, he undoubtedly believed he had the unquestioned support of the armed forces. The day before the latest dismissal was announced, he addressed a large gathering of front-line military commanders to defend his policies. As in other recent appearances of this type, Sadat reportedly received a general ovation from his uniformed audience.

The President’s latest display of personal authority is so unusual as to suggest that he has either acquired a towering sense of confidence or that he felt threatened by a more ominous challenge than that posed by Ali Sabri and his leftist supporters. The dismissal of Sabri had already generated rumors of further changes, many of them contradictory.

None of the rumors explains, however, why the President, who has yet to exercise unquestioned leadership in the Nasir style, should believe he now has the strength to move against these two powerful ministers. Moreover, although Sadat has attracted wide support for his efforts to achieve a peaceful settlement with Israel, he will eventually become vulnerable to strong and potentially dangerous criticism if he cannot demonstrate tangible progress in the negotiations.

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Jordan: *Cooling Off*

Few incidents between government forces and fedayeen have taken place recently, and Jordanian authorities believe it will be safe to reduce somewhat the military presence in the capital by the end of May. The most serious remaining problem is occasional shelling across the Syrian-Jordanian border, and both countries are cooperating to restrain such outbreaks.

The governors and military commanders on either side of the border in the Irbid-Daraa region have met informally to work out joint controls on fedayeen activity.

the Jordanians—applying a lesson learned from the Israelis—are heavily bombarding any area from which firing originates, hoping that the local Syrian population will blame the fedayeen and support tougher official measures against them.

Within Jordan, the army has conducted two recent raids on commando bases and is making routine daily roundups of individuals. No serious incidents have been touched off, and the army is confident that planned arms searches of refugee camps can be carried out just as smoothly. The fedayeen continue to broadcast reports of wide-

spread disorder in Amman, but these are widely known to be entirely without foundation.

Jordanian authorities are aware that a number of unarmed fedayeen are returning to Amman, having deserted their organizations or openly resigned.

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AFRICA: Only a month remains before the African foreign ministers meet to prepare for the eighth annual conference of the Organization of African Unity (OAU), but the issue of where the meeting will be held is still causing controversy. The session was originally planned for Kampala, Uganda, but the leaders of several radical regimes—Zambia, Tanzania, Guinea, and Somalia—

are opposed to the government of Uganda's President Amin, who gained power through a coup last January. Led by Zambian President Kaunda, this year's chairman of the OAU, the radicals are pressing to move the meeting to Addis Ababa. Current sentiment among the 41 OAU members seems to favor Addis, and as many as 22 members are believed ready to back the change.

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Most governments, however, remain non-committal on the question of seating the Ugandans, the issue that will determine the success or failure of the conference. The radicals successfully blocked a resolution of this problem at an OAU foreign ministers' meeting in February, and since then only Nigeria's General Gowon has

clearly spoken out on behalf of the Ugandans. Amin might be agreeable to Addis Ababa, but probably not without some assurance that the Ugandans will be seated there. If a solution is not reached soon, the session may have to be postponed until later this year. [REDACTED]

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France-Algeria: *Oil Impasse Continues*

The dispute over oil shows no sign of resolution and continues to strain relations between the two countries. Both France and Algeria, however, evidently intend to avoid a rupture.

The talks between representatives of the French and Algerian oil companies have not been resumed since France broke off state-to-state negotiations in mid-April, and moves on both sides have served to increase pressures. The French companies have stopped taking Algerian oil and have sought to organize an international boycott of Algerian petroleum. Prime Minister Boumediene has warned the Algerian public that the difficulties may be prolonged, and the government apparently has cut back on its purchase orders of French goods.

The French companies indicate they are ready to withdraw from Algeria altogether if they cannot reach an over-all agreement on future petroleum operations, including oil prices and compensation to the French oil companies for the controlling interest the government seized last February. The companies apparently have been able to conclude contracts with non-Algerian sources that will cover all of France's short-term oil needs, and the French probably can get along in the future on supplies from other sources.

Algeria's immediate concern is to find new markets for its oil. As a result of the French boycott, less than half of Algeria's normal production is now being exported. The major inter-

national oil companies are unlikely to buy the remaining oil under present conditions. If the present impasse is prolonged, Algerian foreign-exchange reserves will probably be adequate to finance Algerian spending at current levels only through the end of this year, and the ambitious Algerian industrial development plan will probably be set back. Nevertheless, Algeria may be able to obtain some foreign financial assistance and seems to be prepared to hold out for some time if necessary.

The French Government is attempting to maintain a careful distinction between state-to-state relations and negotiations between the French companies and the Algerian state company Sonatrach. While lending general support to its companies, Paris is seeking to avoid any action that would cool relations with Algeria below the level of business-like objectivity that has replaced the previous special relationship.

In the past ten days, the Algerian Government has elicited some generalized statements of support from other oil-producing states, notably from Libya and from the headquarters of the Organization of Petroleum Exporting Countries. Algiers also sent out a tentative feeler toward the French companies by suggesting the possibility of lowering the price of crude oil and modifying its requirements on investment, and there is some indication that company talks may resume next week. [REDACTED]

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India-Pakistan: *Frictions Persist*

Several issues continue to aggravate India-Pakistan relations. Border incidents are still occurring, the status of diplomatic personnel remains unresolved, and East Pakistanis continue to flee to India.

India has accused Pakistan of several more border violations. Such incidents appear to result primarily from hot pursuit of armed insurgents or refugees. In most cases, Pakistani troops have not actually crossed the border, but they have fired into Indian territory.

Both New Delhi and Islamabad have accepted Swiss good offices in their dispute over the repatriation of diplomatic personnel in Dacca and Calcutta. Pakistan has refused to allow the repatriation of the Indians unless Deputy High Commissioner Masud—a West Pakistani—is al-

lowed to interview individually each East Bengali defector from the mission in Calcutta. The Bengalis—who claim they now represent an independent Bangla Desh—insist that they will come only as a group to see Masud. The presence of a Swiss diplomat at individual meetings has been suggested as a way around the impasse.

According to official Indian figures, nearly two million East Bengalis have fled to India. Caring for the refugees has strained Indian capabilities, and local officials are attempting to have the central government move at least some of the refugees to other parts of India. New Delhi, however, does not want to take any action that would decrease the likelihood of the refugees returning to East Pakistan. Nevertheless, about half the refugees are Hindus who may choose to stay in India whatever happens in East Pakistan.

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CEYLON: Although relatively few incidents have occurred recently, insurgents are continuing to harass the people and on occasion to attack security patrols. Three areas that had been placed under military control have been restored to civil authority, leaving nine districts still under the military. The curfew, which had been relaxed for Buddha's birthday, has returned to earlier, restrictive hours. The education minister says he does not expect universities to reopen for a long time because "most" students were "involved" in the insurgency.

The Ceylonese military, meanwhile, is planning to expand its strength by about 7,000 men. The largest addition would accrue to the army, but the navy and air force would both double in size.

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WESTERN HEMISPHERE

Chile: *The Communist Party in the Allende Government*

Having conceived and organized the Popular Unity (UP) coalition that elected Salvador Allende to the presidency last year, the Chilean Communist Party (PCCh) envisioned itself as the major political force in the new government. In the intervening months the Communists have often found their role unsatisfactory and their plans frustrated, but the adaptability of party leaders, their political realism, and their persistence have sustained PCCh influence.

When Allende took office in November, his Socialist Party (PS) took four cabinet posts including the two most important ones, while the Communists settled for the vulnerable ministries of finance, housing, and labor. Economy Minister Vuscovic is also considered a Communist and most of the key decision-making posts that went to the PCCh (one third of the total) were economic. The government's populist economic measures strengthened UP popularity for the April municipal elections, but the PS rather than the PCCh reaped most of the benefit and assumed pre-eminence in the coalition. The PCCh improved its voting strength very little and remains saddled with the responsibility for persistent and unresolved economic problems such as housing shortages and rising unemployment. The PCCh leaders' initial dismay over the Socialists' electoral showing has been modified by the rationalization that the PS will now bear the brunt of the inevitable antigovernment dissatisfaction.

PCCh Secretary General Luis Corvalan initially took an aggressive attitude but he and other Communists tempered their position where it proved counterproductive. Although the party still believes that strong measures must be taken to consolidate real power and to ensure that the

revolutionary process cannot be reversed, the means to accomplish this are most often discussed and planned in the privacy of party councils. The many rivalries that have grown in years of political association with the more extremist PS have been submerged because the PCCh considers cooperation the most important ingredient in the



Brezhnev: We wish you well in Chile, Comrade Corvalan. Thank you for attending the 24th Party Congress rather than wasting time with elections. Remember, we arrange elections here and always receive 99.9 percent of the vote.

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relationship. The party stopped its open attacks on the PS-sponsored Movement of the Revolutionary Left (MIR) when Allende chose to co-opt the MIR rather than confront it. Even the takeover of the PS leadership by a hard-line faction under Senator Carlos Altamirano, who was formerly anathema to the PCCh, has not disturbed the cooperation, and a ranking Socialist accompanied Corvalan to the 24th Congress of the Soviet Communist Party, where both received especially cordial treatment.

Both Marxist parties place a high priority on the control of most news media, broader international support—both official and nonofficial—for the Chilean revolution, the elimination of US influence in Chile, and the rapid destruction of economic and political power bases of Chilean moderates and conservatives,. Both also realize the importance of the acquiescence of the Chilean armed forces during this period while the UP is gaining control of the levers of power. Nevertheless, differences between the two persist as they

get deeper into the daily business of sharing power and transforming Chile into a socialist state without provoking serious opposition. Differences of approach to agrarian reform and to negotiating the nationalization of foreign investment, as well as competition in labor matters and local politics, sometimes surface and could cause future problems.

The Communists are aware that many Chileans are suspicious of their ties with Moscow while the Socialists are considered primarily nationalistic. For the present, the PCCh will probably concentrate on building up its membership—already about 65,000 in a country where only a minority belongs to any party—and on strengthening groups such as local UP committees and labor unions that it controls.

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BOLIVIA: The National Liberation Army (ELN) has apparently succeeded in its first major urban operation since the collapse of its rural guerrilla effort last year. In a communique released last Friday, the ELN took credit for the kidnaping on 4 May of a West German businessman, and claimed to have received \$50,000 for his release two days later. If the ELN's account of the incident is true, it is the first time the group has used kidnaping to raise funds and indicates a shift in emphasis from rural to urban terrorism.

A direct descendent of the ill-fated revolutionary movement founded and led by Che Guevara, the ELN has concentrated on guerrilla

warfare in the countryside and remains basically rural oriented. After a disastrous campaign near Teoponte last year, however, the ELN added cities to its list of future areas of guerrilla activity.

Whether the kidnaping of an unarmed private citizen will significantly improve the ELN's tarnished image and boost its standing with its Latin American friends remains to be seen.

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Panama Moves Forward on Three Fronts

The Panamanian Government under General Torrijos is currently moving ahead along three parallel paths. It is seeking to isolate and extirpate the few remaining centers of political opposition, notably the followers of deposed president Arias. The regime is also trying to organize a base of support from groups that it considers part of its natural constituency—students, the rural poor, and labor. Finally, it is preparing for treaty negotiations and building its case for jurisdictional control over the Canal Zone.

Concerned about the possibility of an economic downturn and increased unemployment, chafing under tight budgetary constraints, and convinced that a new canal treaty with attendant economic advantages is improbable in 1971, Torrijos is likely to opt for headline-grabbing policies that will hide his government's basic inability to deal with emerging problems and at the same time win popular support. At a minimum, the standard "revolutionary" themes of agrarian and educational reform, a new labor code, and efficiency and honesty in government will be stressed. More radical measures that would affect the interests of the oligarchy might also be forthcoming. These would be encouraged by the Communist Party, which is seeking to parlay its current role as a tool of Torrijos into something more substantial.

A stress on nationalism can also be expected. Torrijos, with the assistance of the Communist Party, can be expected to try to channel domestic discontent against the US and in support of government efforts to gain full jurisdiction over the Canal Zone. In what may be the opening gun of such a campaign, the government this week granted asylum to two soldiers who escaped from a US military stockade in the Zone and to an airman under investigation for larceny. Also, in a widely publicized move, the government arrested two US soldiers accused of attempting to kidnap the asylees. Torrijos is unlikely to allow such harassment to go too far, but on the other hand, he will be loath to pass up any opportunity to embarrass the US.

A more fundamental objective of the government, however, is to translate its amorphous popular appeal into an institutionalized political framework. Late in 1969 consideration had been given to the formation of an official party, but a coup attempt resulted in an unwillingness to permit any political activity. The cabinet reshuffle last month, which saw the re-emergence of two prominent leftists, signaled renewed government interest in developing a more permanent vehicle for enlisting popular support for official programs and objectives.

Guyana: *Labor Peace Remains Tenuous*

Prime Minister Burnham has apparently failed thus far to reassure apprehensive bauxite workers that the government is capable of protecting their rights and securing their future once it assumes control of the bauxite industry.

Burnham was met with howls of protest and a storm of questions concerning wages and pen-

sions when he visited the strike site at Linden on 6 May. His blunt approach to the workers' demands did little to restore their confidence in him.

Black militant leader Eusi Kwayana's public criticism of the government's actions during the strike is likely to make Burnham's task of

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securing a satisfactory settlement even more difficult. Kwayana admitted that his statements might cause a cooling of relations between him and Burnham, but he said that there were bigger things than this relationship.

For the first time since its formation early this year, the black radical organization calling itself the Movement Against Oppression (MAO) has taken a strong public position against the government. Following the sentencing of West Indian black students in Montreal on 30 April for their participation in the wrecking of the computer center at Sir George Williams University on 11 February 1969, MAO issued a press statement denouncing both the Guyanese and Canadian governments and called for a united struggle against "external and internal assaults on black dignity." While MAO leaders are not generally considered close to Kwayana, their statements paralleled Kwayana's criticism both in substance and in

timing and may indicate agreement to work in the same direction if not for the same ends.

Burnham's displeasure with his administration's poor showing in settling the strike is not likely to result in any cabinet dismissals, but the discredited Mine Workers' Union leader, Verbeke, probably will have to resign to make way for militant young leaders who emerged during the strike. It appears that the government will have to withdraw its support for Verbeke and give in to workers' demands that he be replaced.

Should Burnham fail to secure a satisfactory settlement with the workers within the next four weeks and fail to provide them with some tangible evidence that the government can guarantee their futures, the strike could resume. This would further erode public confidence and enable the opposition to continue its attack on the government. [REDACTED]

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Haiti: *Situation Report*

Although there are rumors that several members of the government are irritated with the way Minister of Interior and National Defense Luckner Cambronne has tried to "move in and take over," there are no outward signs of stress as the administration begins its fourth week in office.

According to US Embassy contacts, Cambronne, who was one of the late president's staunchest supporters, has quarreled with commander in chief of the Armed Forces General Claude Raymond and has antagonized many of the President's advisers. Some conflict between the minister of defense and the country's top-ranking military officer would not be unusual. The President's mother, Madame Simone Ovive Duvalier, is said to play an important role in the government and to be a protector of Cambronne.

The arrival in Port-au-Prince on 11 May of Paul Antoine Colas, an obscure Haitian ex-

patriate, in what may have been a Haitian Government ploy, may lend some credibility to the government's offer of amnesty to all exiles except known oppositionists. At a well-attended press conference Colas praised the amnesty and supported the continued exclusion of those who would return to disturb public order.

The government continues to give the appearance of business as usual, and the rumored clashes between Cambronne and others may be only the inevitable, but not necessarily fatal, difficulties that beset consensus government. Symptomatic however of general skepticism toward the government's durability is the flurry of rumors generated on 8 May that a military junta had taken over and that the Duvalier family had fled. The rumors were touched off, probably by the exiles, when two members of the President's family left for Paris on an apparently routine trip. [REDACTED]

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DIRECTORATE OF
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WEEKLY SUMMARY

Special Report

Uruguay's Tupamaros: The New Breed of Revolutionary

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URUGUAY'S TUPAMAROS: THE NEW BREED OF REVOLUTIONARY

In the last 15 years Uruguay has degenerated from an economically thriving democracy into an aimless, drifting nation. Nothing has exemplified its recent troubles so dramatically as the rise of the terrorist National Liberation Movement, popularly known as the Tupamaros.

The Tupamaros are representative of the new breed of terrorist in Latin America. During the past few years the organization's successes have been the most spectacular on the continent, and the group has influenced terrorists in other countries. Disregarding the guidelines laid down by such romantic revolutionaries as Che Guevara and Regis Debray, the Tupamaros have concentrated their operations in the city rather than in the countryside, and they typify the flexible approach to revolution currently in vogue in Latin America. Taking maximum advantage of a generally permissive society and of security forces unaccustomed to anything except political tranquility, the terrorists have grown from a political curiosity into a major problem for the Pacheco government. Imaginative and daring, they continue to recruit successfully, and the government's efforts against them, though becoming more effective, have yet to curb their attacks.

The guerrillas are currently in the second phase of their planned revolutionary offensive. Having concentrated on attracting public support and building their organizational network, they now aim to sow fear and confusion in the government before moving to total confrontation. In earlier years the terrorists' tactics emphasized exposé and political embarrassment of the government, but intimidation and assassination are now more important parts of their strategy. A tactical objective is to force the government to depart from the democratic principles that have governed Uruguayan political life for more than a century, a goal that is being pursued with some success. The scheduled presidential and congressional elections in November furnish the group with another opportunity to disrupt society.

Barring a major overreaction by the government, the guerrillas are not a major threat to stability under the present circumstances. Nevertheless, the administration has shown that it cannot eradicate the organization with present methods, and the group is likely to be a disruptive facet of the Uruguayan political scene for the next several years. It has become a symbol of the government's drift and of society's resulting frustration.

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The Roots of Frustration

Until the mid-1950s, Uruguay was touted as the "Switzerland of Latin America," a seeming anomaly in the political chaos that often swept the continent. The country was a showcase of social reform as a result of the progressive labor and welfare statutes adopted early in this century. The two-party governmental system functioned smoothly; during the years 1952-67 the country adopted a plural executive system patterned on the Swiss model. The population, basically of European descent, was highly literate and nearly fully employed.

The system, however, extracted a price. The burgeoning welfare network was laudable in theory. But it became a staggering economic burden for a government caught in a financial pinch precipitated by falling export earnings and prolonged economic stagnation that helped bring on an inflationary spiral. The essentially pastoral economy fell further behind the times with each passing year. The plural executive, and the sentiment that led to its creation, acted as an effective brake on the much needed exercise of strong executive leadership. The rolls of government employees became bloated, and administration was inefficient. Neither the Colorados, who ruled for 93 years, nor the Blancos, who served from 1959-67, were able to halt the decline, and the country's complex political system operated to discourage the emergence of an alternative. Older Uruguayans were mildly disaffected by the recollection of better times, and the educated youth were dissatisfied with a system that they regarded as an anachronism. Thus, Uruguay was ripe for exploitation by a determined group of dissidents.

The Birth of a Movement: 1962-66

Although the National Liberation Movement (MLN) did not emerge as an organizational entity until 1966, its origins date back to the early 1960s and center around the activities of Raul Sendic, one of the founders of the group. Sendic was a law-school dropout and a member of the

Socialist Party of Uruguay (PSU). By 1962 he had become a well-known peasant leader in the northern part of the country. He organized dramatic marches on the capital to emphasize demands for better treatment of rural workers, but despite his success as an organizer, his efforts had limited practical results. At the same time, the PSU suffered a serious setback in the 1962 elections. The lack of success at the polls and mounting dissatisfaction with the soft-line leadership of the party prompted Sendic and others to leave the Socialist organization, and they soon abandoned the parliamentary process for good. Sendic became a fugitive after he led a raid on a gun club in 1963, and he moved his base of operations from the rural northwest to the capital soon after this incident.

Sendic and other Marxist dissidents from the PSU, along with some members of the peasant groups he had organized, formed the core of the MLN. They were probably joined by several anarchists, whose own movement had faded from the prominence it enjoyed in earlier decades, and by a few radical independents. The entire group numbered no more than a few dozen. During the period 1963-66 the group, or its members, carried out isolated terrorist acts such as robberies. They won considerable publicity at Christmastime in 1963 with the theft and redistribution of meat in a poor section of the capital.

Another example of the group's flair for public relations that was later to bedevil the government was the terrorists' christening of the movement as the MLN-Tupamaros. Tupamaro is a shortened form of Tupac Amaru, the name adopted by an Inca descendant who led a major uprising against the Spanish crown in the viceroyalty of Peru in 1781. Although the revolt was bloodily crushed, Tupamaro has become synonymous with a call to revolution against the oppressor. Artigas, the father of Uruguayan independence, and his gaucho followers were also known as Tupamaros during their guerrilla war against foreign forces in the 19th century.

The organizational structure of the MLN began to emerge in 1966, when the first National

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Convention, attended by about 20 members, was held. The organization's statutes call for the convocation of a national convention at least once every 18 months, circumstances permitting, but except for a second meeting in 1967 and perhaps a third in 1968, no conclaves are known to have been held. In any event, the group does not place heavy reliance on formal structure. Central leadership, to the extent that it is exercised, is vested in an Executive Committee, which has full powers between meetings of the National Convention. Sendic apparently was a member of this directorate.

From its inception, the Tupamaros' organization has concentrated the revolutionary struggle in the cities, ignoring the more traditional rural activity popularized by Castro, Guevara, and Debray. Uruguay lacks the conditions necessary for prolonged guerrilla struggle in the countryside. The rural terrain is predominantly flat and offers little protection. Eighty-two percent of the people live in urban areas, and political activity is concentrated in Montevideo, the capital, which contains half the population. The city supplies the movement with recruits, and communications and logistical problems are minimized in urban areas.

Nonetheless, the movement has not completely disavowed traditional concepts. It envisions a continent-wide struggle, with the development of "many Vietnams" in which Uruguay may act as a supply zone for the guerrilla struggle in other countries.

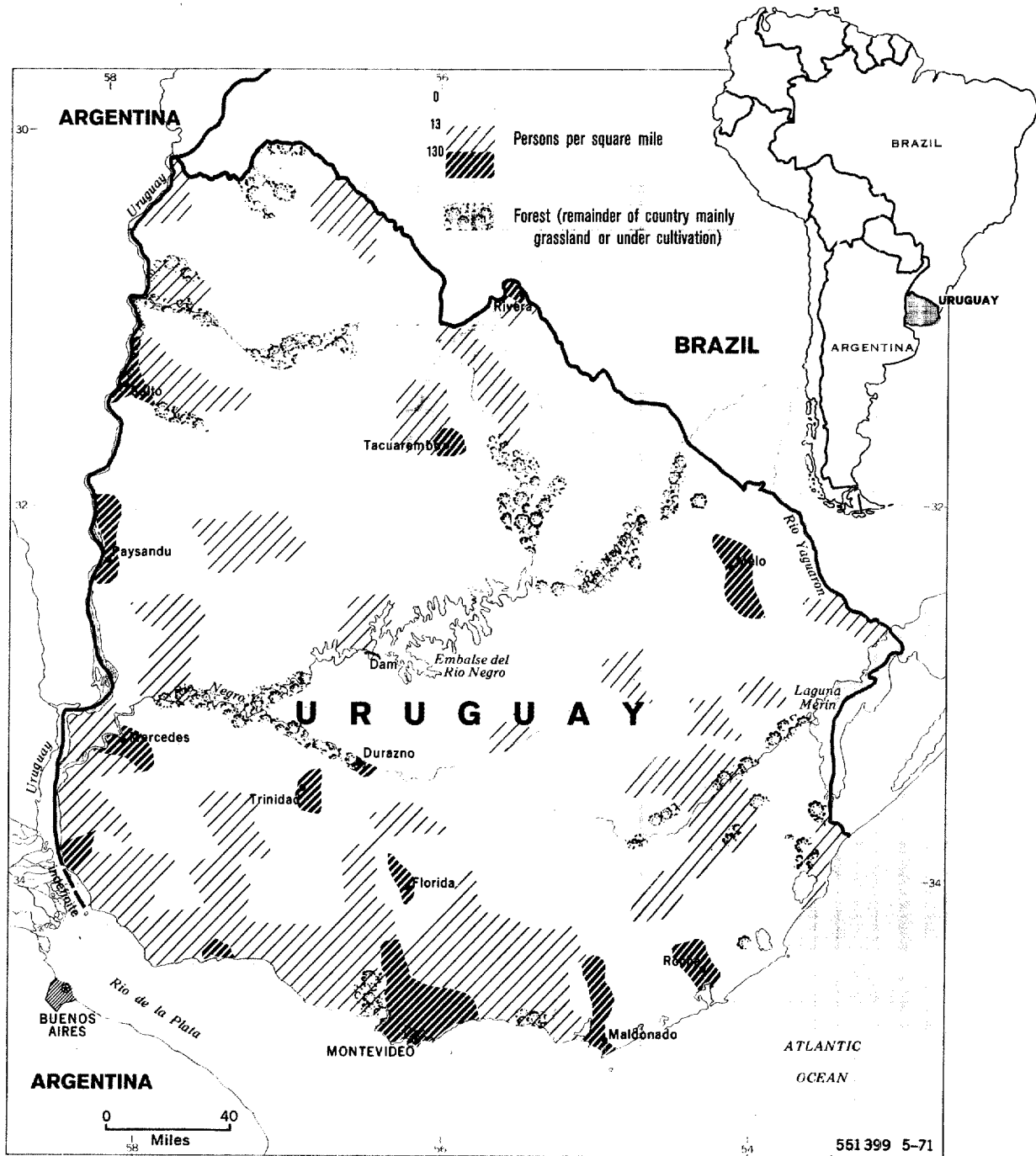
The Revolution: Phase I 1966-69

A pamphlet signed by the Tupamaros was found after a bombing incident in mid-1965, but the organization did not begin to receive real public attention until December 1966, when a

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Uruguay's relatively small land area and general lack of forests or mountains, in conjunction with its predominantly urban population (82%) which is distributed throughout the country, make it unsuited for a prolonged rural guerrilla insurgency.

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police investigation of a stolen vehicle erupted into a gunfight and the first MLN member was killed. He was one of the few casualties on either side during this preliminary stage of activity.

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During these years, the Tupamaros concentrated their energies on a Madison Avenue approach to revolution: popularizing the struggle and selling their revolutionary line to the people. Violence was shunned for the most part, and operations were designed to embarrass the government while at the same time building the organization's prestige and attracting recruits. Between the end of 1966 and mid-1969, only one guerrilla and two policemen were killed.

During this period, the Tupamaros' strategy had considerable impact. In addition to robberies and bombings, they mounted many spectacular and publicity-grabbing operations. In mid-1968, they kidnaped a generally unpopular administration official who was a personal friend and adviser to the president and released him unharmed after a five-day detention. In early 1969 they robbed a finance company and turned over the company's books to judicial authorities, charging high government officials with questionable financial deals. A cabinet minister resigned shortly thereafter. During a five-month period later in the year, the terrorists seized control of several radio stations and broadcast propaganda appeals. In addition, they used their own portable transmitter both to take over the frequencies of local radio programs and to broadcast on their own frequency. The police were unable to locate the transmitter. To mark the visit of Governor Rockefeller in 1969, the terrorists burned the offices of General Motors, causing damages estimated at \$1 million. After several of the more spectacular thefts, the Tupamaros offered to return the money and valuables that were the property of the "common man."

The group's choice of targets, its nonviolent approach to revolution, and its unbroken string of

successes made it a household word in Uruguay. Magazine and newspaper articles touted its members as modern Robin Hoods. By early 1969, a local opinion poll reported that 40 percent of the people surveyed believed that the MLN was a group of well-intentioned revolutionaries. In tacit recognition of the success of its strategy, President Pacheco imposed censorship laws in mid-1969 that forbade any mention of the MLN or publication of the word Tupamaros.

Phase II: Post 1969

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From mid-1969 onward, it became increasingly apparent that the terrorists had decided to abandon their Robin Hood role and to place increasing emphasis on violence. In half a dozen simultaneous attacks on police in early July, five policemen were disarmed and one was killed.

In October, the guerrillas commemorated the death of Che Guevara with their boldest operation to date. About 40 or 50 terrorists, disguised as members of a funeral procession, raided the town of Pando, about 15 miles from the capital, robbed three banks, and took over the local police and fire stations. Police and riot control forces from Montevideo converged quickly on the town, however; gun battles resulted in the death of three MLN members and one bystander and the wounding of three policemen. Twenty of the terrorists were captured, and the money taken from the banks was recovered. In addition to causing significant personnel losses, the Pando raid destroyed the MLN's aura of invincibility and drained away public support. This operation may have been a maximum effort for the MLN at the time.

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[redacted] the Tupamaros have actively pressed their violent strategy. Early in 1970, the police formed a new counterterrorist unit to deal with the MLN; the chief of the unit was assassinated soon after his appointment. In May, the Tupamaros pulled a surprise raid on the naval training center in Montevideo and carried off about 400 weapons and significant quantities of ammunition without firing a shot. During the subsequent search operations by security forces, the Tupamaros again attacked individual policemen, killing one and wounding three others.

From a public relations standpoint, the terrorists' most serious gaffe occurred as a result of their multiple kidnap operations in July and August of 1970. In the space of a week, the terrorists took three hostages and narrowly missed on three other attempts. When the government refused their demand that it release all "political prisoners" in exchange for US AID adviser Dan Mitrione, he was murdered.

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[redacted]

Mitrione's murder caused the first widespread public outcry against the terrorists and increased the public's support for the security forces. Because of the general sense of revulsion created by the killing, the populace was more prone to furnish the police with anonymous leads.

The Government's Countercampaign

The arrest of Sendic and eight other MLN activists in a raid in August 1970 was one of the first major police successes against the terrorists. Before mid-1970, the guerrillas for the most part had been successful in seizing and holding the initiative against security forces.

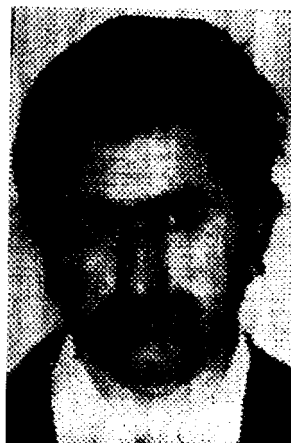
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[redacted] The entire security system suffered from careless operation. The prisons, for example, were administered by the Ministry of Culture rather than by the Ministry of Interior or by the security forces—a reflection of the Uruguayan emphasis on rehabilitation

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**Raul Sendic Antonaccio,
imprisoned MLN leader**

*"A country for all—or no country
at all." (Tupamaro slogan)*



President Jorge Pacheco Areco

*"I refuse to serve merely as Uruguay's
undertaker; I will be President."*



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The MLN has given a lukewarm and qualified endorsement to the efforts of the new Broad Front—a leftist coalition that could become the first major threat to the two-party dominance of the Colorados and Blancos in more than a century. Although the Tupamaros recognize that a strong Front showing probably will work to their advantage, their primary objective presumably is still to attempt to force the cancellation of elections. Thus chances for the assassination of a prominent public figure or for a major terrorist raid will remain high through the 28 November presidential election. The MLN would choose to hold down the level of violence only if it became convinced that the Front had a reasonable chance to win the elections—an unlikely development at this point.

Police successes and the terrorists' own failings have altered the situation of a year ago, when the initiative threatened to pass into the hands of the Tupamaros. The disruption in the terrorists' ranks has not, however, significantly lessened their over-all capabilities, in part because of their continued ability to replace imprisoned members with new recruits. Other factors continue to work to the guerrillas' advantage as well, such as the still-inefficient penal system and a judiciary that metes out lenient sentences. Continued police problems, such as the legal restraints that hinder

effective interrogation, are contributing factors pointing toward a prolonged period during which the guerrillas will be able to maintain a high level of activity. That level of activity is likely to embarrass the government on occasion and sometimes strain the capability of security forces. As the Tupamaros' strategy makes clear, it is aimed not at a near-term overthrow of the government but designed to prepare a "revolutionary consciousness." The Tupamaros recognize that their ultimate objective is dependent on factors outside their control. In concert with a Communist Party driven underground or into open rebellion by harshly repressive government measures, the Tupamaros could constitute a major threat to stability. Such a situation would be precipitated, however, only by a major government overreaction.

After decades of tranquility, the Tupamaro guerrillas are a disquieting reminder of mounting dissatisfaction with the Uruguayan system, but the government has the resources to withstand a buffeting from terrorist tactics. The government's viability will depend largely on its reaction to the growing challenge centered in the legitimate political arena. The Tupamaros are a highly visible, vocal, and violent part of the over-all challenge, but they are a catalyst for, rather than the focus of, dissent.

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South American revolutionaries and, given the Tupamaros' proven skill at providing documentation and cover, it is reasonable to assume that they have extended aid to other guerrillas as well.

Within Uruguay, the Tupamaros have consulted with several other extremist groups but have shied away from any merger. The MLN has sapped much of the strength from several of its sister organizations and it is confident that they will eventually be caught up in the revolutionary groundswell and have no choice but to meld with the Tupamaro organization.

The Tupamaros and the large Communist Party have eyed each other warily for several years, both conscious that they will eventually be competing for the allegiance of the same individuals. Thus far, however, their common objectives have overcome their mutual suspicions. The Tupamaros now command widespread sympathy in the student sector, and the PCU controls labor. Neither has made a major effort to undercut the influence of the other. The Tupamaros have, however, made a few limited forays into the trade-union field. The Tupamaro strategy attaches considerable importance to the control of labor, and it seems that the MLN threat to the PCU's treasured labor hegemony eventually will put the groups at loggerheads. At present, however, many of their activities are complementary and mutually beneficial.

Future Policy and Prospects

The MLN has parted with its Robin Hood mystique and lost much of the popular appeal it once claimed, but it sacrificed these assets in a calculated effort to advance its revolutionary strategy through an escalation of violence.

Although they have failed to force the government to grant any concessions in exchange for hostages, they show no signs of abandoning kidnapping as a tactic. For the moment, they are satisfied with the publicity they gain from a successful kidnapping and with the enhanced reputation resulting from their demonstrated ability to hold hostages for lengthy periods. Both American agronomist Fly and Brazilian consul Gomide were detained for six months in the MLN's so-called "peoples' prisons" before being released early this year. Fly, set free after he suffered a heart attack, had received professional medical treatment in one of several "peoples' hospitals." The Tupamaros' current tactics toward kidnap victims, including trials and sentences for crimes against the people, are designed to emphasize a muckraking image and to lend the organization a quasi-legal facade. The income from ransoms is also a lucrative and attractive side benefit. The terrorists have successfully carried out ten kidnappings and at present hold three hostages. Until the police can break this string of successes, further attempts are a near certainty, and diplomatic personnel will remain prime targets.

Propaganda activities, although no longer the primary focus of the Tupamaros, have not been neglected. The terrorists are well aware that their efforts to expose corruption in government ranks, even through the use of kidnappings, have won generally broad public acceptance. Such actions are likely to continue. During the past year, the Tupamaros on numerous occasions have taken control of downtown movie theaters and factories and held audiences at gunpoint while publicizing the party line. The tactic is of questionable utility, and the improved police response has sometimes made it a costly one. This is likely to be increasingly the case and could prompt the terrorists to abandon the practice. Intimidation efforts such as raids on private residences and similar operations, which entail minimal risk, will continue. The incidence of robberies and bombings is likely to proceed at the pace that has become "normal" for Montevideo in the last two years.

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TUPAMARO KIDNAPINGS 1968-1971

NAME & POSITION	DATE	OUTCOME
Ulyses Pereira Reverbel Head of State Utilities Company and adviser to the President	7 August 1968	Released on 11 August 1968 but kidnaped again on 13 April 1971 and remains hos- tage.
Caetano Pellegrini Giampietro Prominent Banker	9 September 1969	Released on 21 November 1969 after personal friends made a donation to charity.
Daniel Pereira Manelli Judge who had sentenced several Tupamaros	28 July 1970	Released on 4 August 1970
Aloisio Gomide Brazilian consul in Montevideo	31 July 1970	Released on 21 February 1971 in exchange for \$250,000 ran- som paid by his wife.
Daniel Mitrione US AID adviser	31 July 1970	Murdered after Uruguayan Government refused to release "political prisoners"; his body was discovered on 10 August 1970.
Claude Fly US agronomist	7 August 1970	Released on 2 March 1971 af- ter having suffered heart at- tack.
Geoffery Jackson British ambassador in Montevideo	8 January 1971	Remains a hostage.
Guido Berro Oribe Uruguayan Attorney General	10 March 1971	Released on 23 March 1971
Ricardo Ferres Uruguayan financier and businessman	13 April 1971	Remains a hostage.

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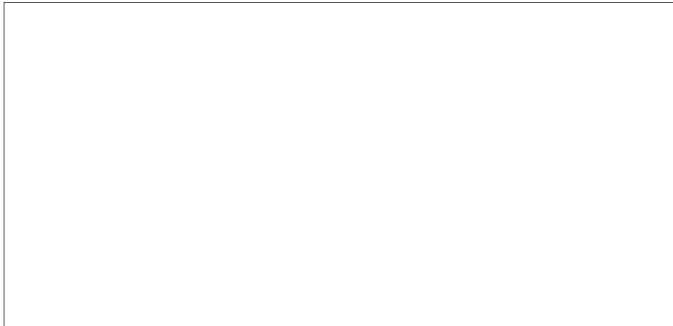
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sympathizers, and probably active collaborators, in some of the ministries. Part of the explanation lies in the fact that Uruguayans enter the lethargic government bureaucracy at the earliest age possible. Of the 18,000 university students, 50 percent work; government employment accounts for the largest sector of the active labor force.

earn money by day to ease the potential financial strain.

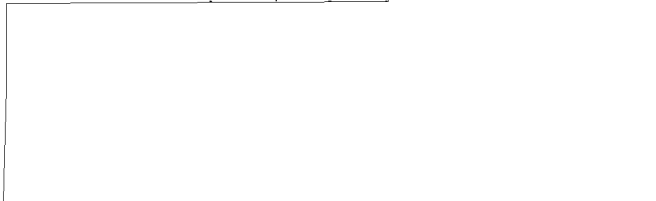
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Foreign and Domestic Contacts

The MLN has a close ideological kinship with the Cuban revolution

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Moscow supports the soft-line PCU in preference to the terrorist MLN.

Circumstantial evidence also suggests the group is free from foreign support. Although MLN upkeep requires a substantial monthly budget, the terrorists have become adept thieves, and the inputs from robberies and ransoms have matched estimated operational expenses. In addition, raids have netted the organization a sizable arsenal, with no need for a foreign arms supply. The group's urban base also allows members to

The MLN has a long-range, grandiose objective of bringing about the unification of revolutionary groups in the southern cone of Latin America and eventually on the entire continent. Uruguayans are less parochial and nationalistic than many of their Latin American brethren, and the Tupamaros will continue to foster cooperation among revolutionary groups and lend aid to the extent permitted by their resources. In addition, Montevideo is a well-known transit point for

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other minor splinter groups on Uruguay's far left. Not surprisingly, the MRO has since faded to the point where it now commands no more than about three to four dozen activists.

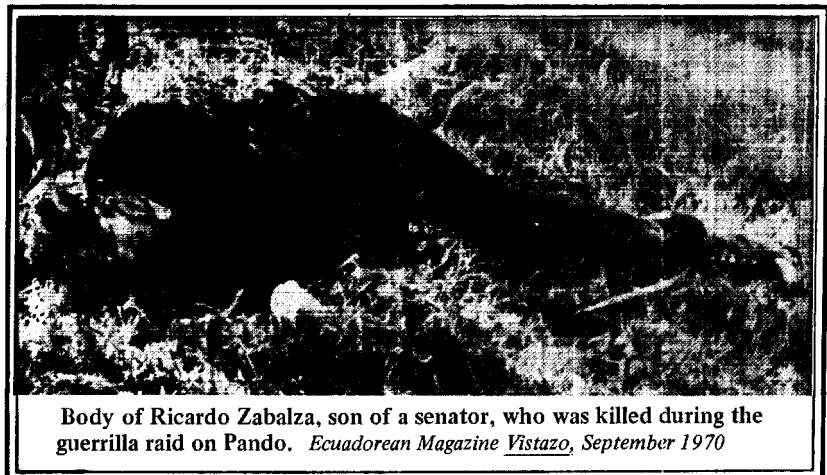
The schools thus present a ready pool of educated, middle-class youth who see the Tupamaros as the only viable alternative to a decaying system. The University of the Republic in Montevideo has more than 18,000 students, and it probably will not require a major recruitment effort for the Tupamaros to continue to attract enough people to sustain their operations at or around the present level for the near future. Their apparent use of raw recruits in recent operations, although indicative of police successes, also attests to their continued attractiveness to youth.

Youths have gravitated to the MLN from all points of the political spectrum. The son of Carlos Quijano, a noted leftist intellectual and newspaper publisher, is a Tupamaro. Raul Bidegain, a high-level MLN activist arrested last August, is the son of a former police chief. Both sons of a Blanco party senator who was a member of the ruling National Council in 1959-60 were members of the terrorist band; one was killed during the Pando raid and the other is currently in prison.

As several of the Tupamaros' operations have made evident, the organization possesses a significant technical capability. Priests, politicians, doctors, and lawyers have been discovered in guerrilla ranks. Despite the presence of such talent, the list of those arrested makes it apparent that the majority of the rank-and-file activists are disaffected youth. The median age is only about 25 years, too young for the individual to be established in a profession. Some of the terrorists used in harassing attacks against private residences have been in the 17 to 21 age group.

The Tupamaros are presumed to have access to low-level information in many of the government agencies, and there have also been several disquieting instances of Tupamaro penetrations at a higher level. It is likely that there are MLN

Despite their tarnished image with the public at large, the Tupamaros command a substantial following at the university, and their exploits have earned them public plaudits from both students and faculty. Sympathy—and radicalism—extends into secondary school ranks as well. The terrorists have made some effort to organize support committees in high schools, and outbreaks of violence last year prompted President Pacheco to close down secondary institutions until he could reopen them under strengthened government control.



Body of Ricardo Zabalza, son of a senator, who was killed during the guerrilla raid on Pando. *Ecuadorean Magazine Vistazo*, September 1970

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militants as well. Some of their operations resembled training missions. The clocklike precision that had characterized earlier efforts gave way to a greater number of incidents more amateurish in nature. Several operations in September were illustrative. Two MLN members were killed in the poorly timed bombing of a bowling alley. A seemingly ill-conceived operation involving the multi-million-dollar burning of a textile warehouse, which robbed Uruguayans of jobs and profits, was unpopular with the general populace.

[redacted] resigned from the government in April. The President's closure of leftist publications by executive order has earned him enmity from a legislature accustomed to consultation and responsibility and concerned about the abridgement of press freedom. Although Pacheco has been granted unprecedented suspensions of constitutional guarantees on two occasions, similar requests to Congress have been rebuffed during the last few months.

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Who Are the Tupamaros?

The Tupamaros have a professional organizational image with limited emphasis on individual leaders. Sendic, by personal inclination, was opposed to any personality cult and seemed to make a real effort to subordinate his identity to that of the organization. The emphasis on clandestinity and autonomy aided the effort. The group has survived the imprisonment of almost all its early key leaders, and others have replaced them in the decision-making apparatus. The Tupamaros' growth from a nucleus of about two dozen people into a group still capable of a high level of activity despite the imprisonment of several hundred of its members is the result of several factors.

From the outset of the terrorist problem, President Pacheco has taken a tough stand. He was the first Latin American leader to refuse any dealings with kidnapers, and he has shown little disposition to change this policy. Nonetheless, the government's over-all record of achievement against the terrorists remains mixed.

Despite the large number of terrorists imprisoned, the group remains capable of mounting fairly large scale operations. The kidnaping of British Ambassador Jackson in January was an elaborately staged affair that involved an estimated 40 to 50 people. In addition, the jailed MLN members still enjoy considerable freedom of action.

The President's shuffling of ministers has at times borne the mark of a clumsy political operation that has done little to increase government effectiveness. The competent undersecretary of defense, Carlos Piran, [redacted]

Prior to the appearance of the Tupamaros, the Uruguayan political scene had no leftist organization whose revolutionary fervor went much beyond a sterile ideological exercise. The large, legal Communist Party of Uruguay (PCU) with a membership of about 40,000 is a soft-line, pro-Moscow party and an established part of the political process. Therefore, when the pro-Castro congressional deputy Ariel Collazo established his Revolutionary Movement of Uruguay (MRO) in the early 1960s, it grew quickly to a membership of nearly 1,000 with about 5,000 sympathizers, a number of whom were probably drawn from the PCU. It too, however, proved to be largely an exercise in polemics. The Tupamaros, who both preached and practiced an activist line, probably siphoned off a significant number of converts from organizations such as the MRO, PCU, and

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The intensive use of city-wide sweep patrolling in the capital has resulted in numerous arrests of terrorists.

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rather than detention.

the Montevideo police has improved measurably,

Steps have been taken to correct some of the more obvious government failings. Responsibility for the prison system was transferred to the Ministry of Interior in January 1971. The administration also is considering building a new high-security prison facility to house the more important Tupamaro prisoners. The reaction time of

The police roundup especially has had an impact on the guerrillas. In 1970, the terrorists began to place greater emphasis on relatively low-level harassment of police and prominent citizens—a reflection not only of a change in tactics but possibly of a lack of experienced

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